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THE AMBASSADOR
Newfoundland & Labrador
Canada

Bringing Newfoundland and Labrador to the World

In This Issue...

* Find out why the marine sector in Newfoundland & Labrador is one of the world's strongest and most innovative.
* A St. John's based company was recently awarded a $12 million dollar contract by the European Space Agency.

Did You Know

* The Canadian marine economy is worth about $20 billion and is averaging a 4.8 per cent growth rate.

* Marine-related activity within Newfoundland and Labrador is valued at $1.2 billion or 12 - 25 per cent of the provincial economy.

* The marine technology component of the marine sector has been growing at 7.2 per cent.

* The Newfoundland and Labrador marine technology sector consists of 33 active companies, two thirds of which generate more than 90 per cent of their revenue from marine activities.

* Total annual sales for these companies are approximately $117 million ($3.8 million per company), with sales growth of around 16 per cent annually in the last three years.

* Sector employment has annual growth rates of 17 per cent each of the last three years.

* Today the marine technology sector employs approximately 880 people.

EXCITING TIMES

In the Marine Technology Sector

Newfoundland and Labrador's provincial government has committed itself to developing the economic and growth potential that its marine technology sector may yield.

The commitment was formalized just over one year ago when Department of Innovation, Trade and Rural Development Minister Kathy Dunderdale announced that the provincial government would invest a total of $1.5 million (CAD) over five years to help implement an aggressive marine technology development strategy for the province.

Why make such a commitment when marine technology has been an obvious business outlet due to matters of circumstance and history?

The answer is simple: to assume the role of an internationally recognized leader in the sector.

"One of our natural strengths is our affinity with the ocean and our marine sector. Through our rich maritime history we have amassed a tremendous amount of knowledge and expertise," said Minister Dunderdale. "Newfoundlanders and Labradorians have applied that knowledge to the field of marine technology and our expertise is being recognized internationally. We have to build on that momentum and, through cooperation with our partners, position the province as a worldwide leader in this field."

Perhaps the most convincing aspect of the commitment is not the dollar amount assigned or the level of involvement from the myriad stakeholders across the spectrum of industries and sectors, but the strategy itself.

In a report released by the department, *A Marine Technology Sector Development Strategy for Newfoundland & Labrador*, presents a detailed overview of the international, national and provincial marine technology sector, an analysis of the issues affecting the sector development and, most importantly, the province's vision, mission and strategy for capturing "a much greater share of emerging domestic and global opportunities."

Hon. Kathy Dunderdale, Minister of Innovation, Trade and Rural Development

It's a strategy that motivates many people who have been involved in sector development for a number of years.

"The provincial government stepped up to the plate last year when they endorsed and bought into the strategy," says Darrell O'Neill, Senior Technical Officer with the Department of Innovation, Trade and Rural Development.

The private sector is recognizing the effort as well. Neil Chaulk, President of ICAN, a Mt. Pearl-based company that designs and implements sophisticated navigation and communications software, says, "What's meaningful to me is that government is committed to growing a cluster of capabilities to create a stronger sector for the future."

With the commitment to the five-year strategy, the province is looking to transcend matters of circumstance and history and vault itself into its proponents' vision as worldwide sector leader.

O'Neill states, "It's exciting times in this sector."

www.intrd.gov.nl.ca
www.icanmarine.com

OCEANS ADVANCE, INC.
A cluster of Potential

Ocean's Advance Executive Director Leslie O'Reilly

"We have never fully come to understand the ocean's potential to become an economic driver and a sector which we could take advantage of for future generations, " he says.

Sitting across the table from Les O'Reilly, you get the feeling that he's wrestled with the humbling task of identifying Newfoundland and Labrador's economic identity amid the fathoms of promise that lay in the Atlantic Ocean many times before.

In September 2005, O'Reilly accepted the position of as Executive Director of Oceans Advance, Inc., an innovation cluster initiative. The job: make the St. John's region an international location of choice for ocean technology.

Oceans Advance is a partnership formed in 2001 between business, R & D institutions, academia, and government to link entrepreneurs, researchers, academics, and government stakeholders from Newfoundland and Labrador's and Canada's ocean technology community. Its goals include growing R & D capacity and enhancing international export and business opportunities. Prior to O'Reilly, Dennis Hogan, assistant deputy minister (Innovation, Research and Advanced Technologies) in the Department of Innovation, Trade and Rural Development, acted as Executive Director.

While new to this role, O'Reilly brings a lifetime of personal and professional experience in the marine technology sector.

From 1992 - 2005, he was the Executive Director and Chief Executive Officer of the Marine Institute of Memorial University of Newfoundland. His academic experience undoubtedly gives shape to his philosophy of how Oceans Advance will advance the sector.

"The whole sense of the impact of the oceans on us as a people has not been explored to the degree that it should. Part of our job will be to work with and build on our strengths as innovators to identify and optimize the ocean's economy as a driver for the future."

Why a cluster approach?

O'Reilly says, "By working together, we are able to become stronger and grow the economy."

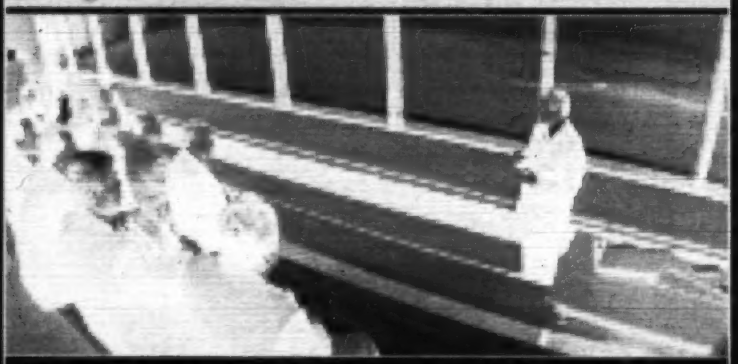
"That is a grassroots approach and Oceans Advance is a grassroots organization focusing on strengths, working closely together and achieving success."

Now that the cluster has strong funding, intelligence, and partnerships, the next phase for Oceans Advance will be promoting itself and its message to the oceans community.

"It will take a lot of marketing and promotion causing people to want to network more, to collaborate more while focusing on the right outcome."

www.oceansadvance.net

Marine Institute
making waves



MI's executive director, Glenn Blackwood, demonstrating the flume tank to government officials from Malaysia.

The next time you're out and about in Newfoundland and Labrador be careful: you may just trip over an ever-expanding Marine Institute.

With facilities in St. John's, Foxtrap and Stephenville, it has a full menu of state-of-the-art safety, survival and simulation facilities available to serve a variety of training requirements, including focused industrial response courses, diploma of technology programs, and bachelor and masters degree programs.

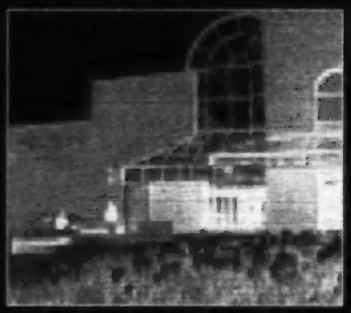
The Institute provides technical support to industries within the fisheries and marine transportation sectors through the Centre for Sustainable Aquatic Resources, the Centre for Aquaculture and Seafood Development, the Centre for Marine Simulation, the Offshore Safety and Survival Centre, and the Safety and Emergency Response Training Centre.

With the recent release of Vision 2020, the Institute's formal vision statement, it appears Canada's most comprehensive education, training, applied research and technology transfer resource is intent on growing its already impressive portfolio to reach a more international audience.

Marketing Coordinator Kimberley Thornhill says, "We want to become more international. We want to be known as a world ocean's institute. We're looking at new programs, new schools. We looked at seven different marine sectors where we can participate."

The seven sectors are marine recreation, science, fisheries, aquaculture and biotechnology, energy, defence and marine transportation.

Thornhill points out that despite their plans for international expansion the Institute will continue to focus on marketing their programs and facilities locally.



Students enjoy a break between classes at the Marine Institute's main campus in St. John's.

"We're the best kept secret in Newfoundland and Labrador."

"People would be surprised to learn that the level of programming, training and research that's done here is equal, if not better, than what's found around the rest of the world and it's been built by Newfoundlanders and Labradorians."

The Marine Institute is one of only five public educational institutions in Canada to have ISO 9001 certification. The International Organization for Standardization rating is a voluntary, globally recognized standard for organizations committed to providing quality products and services that are efficient, consistent and continuously improving.

Thornhill says, "No other college in Canada has everything that we have. Some have simulation, some have offshore safety, but no one has a flume tank to go along with both of those."

The Marine Institute is guided by its motto, "Ad Excellentiam Nitere - Strive for Excellence."

www.mi.mun.ca

GRI SIMULATIONS
operating at a different level

How many jobs can you name where you sit at your PC and interact with elements on the floor of the North Sea 6,800 feet below the ocean's surface while enjoying your morning coffee?

As rare as it may be, there's a small company operating in St. John's who are virtually doing just that.

GRI Simulations Inc. provides ocean mapping services for domestic and international customers using the DOLPHIN semi-submersible Remotely Operated Vehicle.

In 1997, GRI built on their experience to focus on supporting sub-sea ROV operations by providing simulation technology to enhance ROV pilot training, mission planning and rehearsal for offshore oil construction and production operations and military Search and Rescue and Mine-Countermeasures activities. In simpler terms, building flight simulators for underwater vehicles.

Today, it's producing the most amazingly advanced simulation technology found anywhere in the world and is recognized as the global leader in the sector.

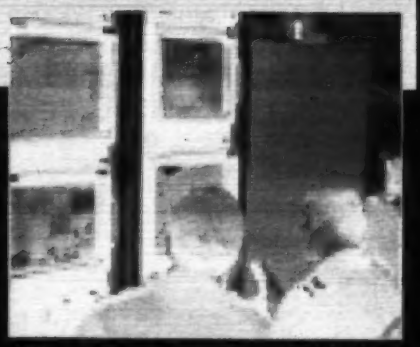
Vice-President Stephen Dodd attributes their reputation and success to listening to their clients' needs.

"We don't let technology drive our business but instead we work closely with our clients to determine exactly what it is they need to do, and use technology as a tool to help them get it done," says Dodd.

VROV, their out-of-the-box simulation software, now includes the VROV Desktop Simulator With Scenario Creation Toolkit - a modular, cost-effective tool for Sub-sea system design and testing. What separates GRI's product from the rest of the field is the high-level of realism delivered by their products.

"Our simulation software allows a pilot to train for a mission, upgrade their skills, and understand and prepare for all of the possible impediments. This is particularly true for mishaps involving the tether connecting the ROV to its base – a feature not offered by other company's simulators."

While a high percentage of business focuses on the Offshore Oil and Gas sector, GRI has formed partnerships that has seen them developing applications for the military and educational sectors. The company is also building on its simulation software and blue-chip client base (including the Canadian Navy, BP, Stolt Offshore and Perry Slingsby Systems) with Real-Time Visualization applications. A combination of real-time ROV feedbacks and acoustic positioning will improve the visual experience during the actual missions.



GRI's simulation software offers a high level of detail with realistic control for the pilot.

Dodd feels that this province is ahead of the game when developing technology for the marine sector.

He says, "I've had the opportunity to travel to international trade shows 2 – 3 times a year for the past decade and the global impact of the marine sector of Newfoundland and Labrador continues to surprise and impress me."

www.grisim.com

C-CORE
the view from above

How many ways can you measure success? If you ask C-CORE, they can show you twelve million.

That's the dollar amount of a recent contract awarded to the St. John's-based corporation by the European Space Agency (ESA) to manage the Polar View program, a joint initiative between Canada and Europe.

Canada, Denmark, Finland, France, Germany, Italy, Norway, Sweden and the UK will all contribute intelligence and resources.

Why was C-CORE successful in winning the contract?

Dave Gullage, C-CORE's Marketing and Business Development Manager, says, "We're known throughout the world for our remote sensing capabilities and based on our previous experience with the Northern View program, the predecessor to the Polar View, our strong proposal, quality personnel and sound business plan, the ESA decided to support our proposal."

The three-year Polar View program will provide satellite-monitoring services to the delicate northern and Antarctic regions that have real economic potential. Services will include ship and iceberg monitoring, high-resolution ice charts and lake and river ice monitoring.

The staff at C-CORE, 2005.

Thomas Puestow, Operations Manager for the program, sees practical applications for the service that can be applied to a number of sectors. As an example, agencies that monitor oceanic traffic will not be the only beneficiaries of iceberg positioning intelligence.

"They will receive our satellite data of icebergs but as a byproduct we will also design a website geared toward the tourism sector where people will be able to view iceberg locations on a map with possible directions of how to get there."

C-CORE (the acronym stands for the Centre for Cold Ocean Research and Engineering) is by no means a new player in the provision of innovative engineering solutions. This year marks their thirtieth anniversary of operations and they have developed an international reputation for excellence. Gullage attributes the long-term success to the people at the Centre.

"We've been around for 30 years and have a highly qualified work force with very knowledgeable people dedicated to our work and to our clients."

As C-CORE looks toward the next 30 years of operations, Gullage believes Newfoundland and Labrador offers a competitive package for clients looking to secure world-class services.

"Our work is second to none and there are a lot of other companies here in the province doing work that is just as impressive. It speaks a lot to the quality of the work force and the business environment here."

www.c-core.ca

THE OCEAN TECHNOLOGY ENTERPRISE CENTER

Growing a sector one company at a time

Last month marked the 20th anniversary of the National Research Council (NRC) of Canada's establishment of the Institute for Ocean Technology (IOT) in St. John's, Newfoundland. The IOT is Canada's national centre for ocean technology research and development.

Over those 20 years, the IOT has helped to commercialize a range of technologies for the marine technology sector through innovative research and key partnerships. In recent years, the Institute has increased its focus on incubating the concepts and entrepreneurial desires of some of the brightest young minds in the province with the establishment of the Ocean Technology Enterprise Centre (OTEC).

A screenshot of NavSim's BoatCruiser software interface. NavSim is one of 9 companies housed at OTEC.

Officially opened in 2003, OTEC is housed within NRC's new Industry Partnership Facility (IPF) and can access to the world-class resources that include an indoor, 75-metre long offshore engineering basin, a 200-metre long towing tank and the world's longest ice tank which has a 76-metre usable ice sheet.

OTEC provides "a supportive environment to assist the growth and development of ocean technology business in Newfoundland and Labrador." The Centre also provides collaborative services for established companies looking to utilize the facilities to conduct research. To achieve all of this, OTEC has two programs: The Young Entrepreneurs Program and The Ocean Technology Co-location Program.

Currently, there are nine companies occupying 25 offices at the Centre. Noel Murphy, Manager of OTEC, explains what they look for when approached with an idea.

"We're looking for bright ideas and bright people. It's important that we feel there is a reasonable chance of success for the venture."

And, as he further explains, there's a reason behind that selective approach.

"We're trying to create new businesses, employment and generate revenue for marine technology in the St. John's region. That's our goal."

The average time for incubating a company is three years with some staying a little longer as needed.

One company that has moved through both programs is MadRock Marine Solutions Inc., a startup that provides "escape, evacuation, and rescue solutions" to stakeholders in the marine technology sector. Its products include a new lifeboat release mechanism and a new lifeboat design.

MadRock CEO Dean Pelley believes that OTEC, by design, provides young companies with a healthy business development environment.

"There's an atmosphere of cooperation among the companies because we're all struggling toward the same goal which is self-sufficiency."

Upon returning from trips to China and Alberta, Pelley understands the value of the Co-location Program.

"OTEC offered us a low-rent facility and access to some of the mentoring to get us through what I would consider the most difficult stage and that's getting sales."

While still in the relatively early stages of operation, Noel Murphy understands the purpose of OTEC.

"The goal is to create this vibrant community and have it all thriving and building upon itself."

www.iot-ito.nrc-cnrc.gc.ca
www.madrock.ca

HELP spread the message!

Thank you for reading this edition of The Ambassador newsletter. We are always looking for ways to reach as many people as possible with the good news about business in Newfoundland and Labrador. If this copy of *The Ambassador* was mailed to you, pass it along, or request extra copies so you can help spread the news. If you're reading someone else's copy of the newsletter, contact us and we will put you on our mailing list. See our contact information at right.

GET YOUR E-NEWS!

The company profiles you read in each issue of the Ambassador newsletter are just the tip of the proverbial iceberg. There's so much more happening in Newfoundland and Labrador, more than we can possibly fit into a newsletter.

That's why we have the Ambassador E-News. It's a periodical e-mail we send to all of our Ambassadors and subscribers. It has links to current news, conferences and events, local media, economic facts and all the great things happening in our province. But we can't keep you up to date if we don't know how to reach you. Simply send us your e-mail address to ambassador@gov.nl.ca and we'll be happy to add you to the list.

Newfoundland & Labrador Canada

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